

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Assessment and Collection)
of Regulatory Fees for)
Fiscal Year 1995)

MD Docket No. 95-3

COMMENTS OF SPRINT CORPORATION

Sprint Corporation ("Sprint"), on behalf of Sprint Communications Company L.P., the United and Central Telephone companies, and Sprint Cellular, respectfully comments in response to the Commission's January 12, 1995 Notice of Proposed Rulemaking ("NPRM".) In the NPRM, the Commission seeks comment on its proposed Schedule of Regulatory Fees for Fiscal Year 1995.

I. Common Carrier Services - IXC's, LEC's, CAP's, Pay Telephone Providers.

The Commission proposes two alternative fee structures for common carriers, including IXC's (both facilities-based and resellers), LEC's, CAP's, and pay telephone providers. Under the first fee structure, the fee would be based on the "number of customer units, i.e., number of users of a service, provided by a carrier as of December 31, 1994."¹ Customer units are defined as the number of presubscribed lines for MTS; the number of billing accounts less the accounts associated with the presubscribed lines already reported by the carrier for other switched services

1. NPRM at para. 59.

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not billed to the originating line; and voice-equivalent lines for non-switched services.² For LECs, customer units are defined as the number of presubscribed lines for access service³ and for payphone providers, customer units are the number of payphones. The resulting fee under this fee structure would be \$.13 per customer unit.

The alternative structure would assess regulatory fees not on the basis of "customer units", but on the basis of calendar year 1994 minutes or minute of use surrogates.⁴ For interstate services upon which access charges are paid, the number of minutes would equal the number of originating and terminating access minutes. For other interstate services billed based on timed usage, the number of minutes would equal the number of billed minutes. For interstate services not billed on the basis of timed usage, minutes are estimated as billed revenues times 10. For access service, LECs would be assessed on the basis of originating and terminating access minutes. This proposal results in a fee of \$.08 per 1,000 minutes.

Of these two alternatives, Sprint urges the Commission to adopt the "customer units" structure for Fiscal Year 1995.

2. The Commission states at para. 59 that non-switched services include services provided by "CAPs, special access and private (alternative access) line providers." It should clarify whether IXC's are considered private line providers.

3. Sprint presumes that this refers to switched access only, since LECs would pay on the basis of voice-equivalent lines for special access.

4. See, NPRM at para. 60.

Sprint does not believe there is any rationale for deviating from "customer units" for this one category. The only possible rationale suggested by the Commission is the previously expressed concern over the small amount of fees paid by CAPs:

In the FY 1994 Order . . . we rejected proposals to modify the fee schedule because Congress intended us to adopt that schedule in its entirety for FY 1994. Under the statutory schedule, CAPs are assessed fees based upon their number of subscribers. As a consequence, some CAPs filed very small fee payments because they service only a few subscribers even though these subscribers are large entities with heavy communications requirements.⁵

Without debating whether the small number of CAP customers with heavy usage warrants a non-customer unit fee structure for CAPs, it clearly does not warrant such a different fee structure for the vast majority of carriers in this category, the LECs, IXC's and payphone providers.

The structure for assessing and allocating fees should be as simple and straightforward as possible. The number of lines served by each carrier is readily obtainable and auditable information, and much of this information is already provided to the Commission. Carriers know what a presubscribed line is and there would be little question of interpretation if this measure is used as an allocation basis.

In contrast, the proposed minutes of use numbers are more difficult to obtain and audit, and, in the case of non-timed usage, are derived using an arbitrary calculation (revenues x

5. NPRM at para. 54.

10). IXCs dispute million of access minutes each month, and it would be extremely difficult to verify billed minutes since carriers would presumably self-report such information. Use of the revenue-based minute surrogate is even more problematic. There is no evidence to support the "billed revenue times 10" surrogate, and the definition of revenues is subject to substantial interpretation.⁶ Revenue figures are also more subject to revision than are presubscribed line counts, which could necessitate some sort of true-up and further complicate the fee allocation process. Even if the Commission does precisely define "revenues", the Commission simply does not have the resources to audit the figures supplied.

II. International Bearer Circuits.

The Commission proposes that private submarine cable operators pay a fee for international bearer circuits sold on an indefeasible right of use ("IRU") basis or leased to any customer other than an international common carrier authorized by the Commission to provide US international common carrier service.⁷ The Commission also proposes that facilities-based common carriers activating an international bearer circuit also pay a fee for such circuit.

6. For example, a carrier may compute revenues by including or excluding uncollectibles or international settlement payments.

7. See, para. 53.

Sprint supports this proposal. Under existing rules, both the operator of private submarine cable systems and the common carriers who use circuits on such systems to provide international telecommunications services pay a regulatory fee for the same circuit. This type of double payment is unjustified and, given the treatment of fees for common carrier submarine cables, was perhaps unintended. The proposal offered by the Commission for Fiscal Year 1995 bearer circuit fees eliminates the problem of double charges for the same bearer circuit, and thus should be adopted.

III. Commission Organization Structure.

The Commission states that it has the authority to change the service categories in the statutory fee schedule to more closely align the service categories to the Commission's new organizational structure. However, the Commission declines to exercise that authority in order "to minimize any adverse impacts to the schedule brought about solely by such a classification change."⁸

While the desire to avoid adverse impacts is understandable, it also produces some anomalies, particularly because of some of the lingering distinctions between private and common carriage in the mobile radio services market. For instance, private operational fixed microwave licensees under Part 94 of the Commission's Rules will be assessed a fee of \$7 per license, whereas microwave licensees governed by Part 21 will be assessed

8. NPRM at para. 14.

a \$120 per license fee, notwithstanding the fact that both license categories are processed by the new Wireless Bureau and do not differ markedly.⁹

Sprint believes that in future years, as the regulatory distinctions between private and common carriers in the mobile radio services market fade or are eliminated, the Commission should develop fee amounts in accordance with the Commission's new Commitment to organizational structure and regulatory parity for similar wireless services.

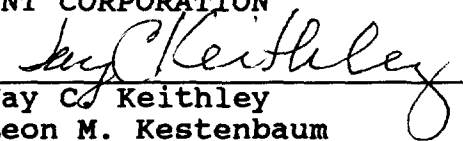
IV. Conclusion.

For the reasons cited above, the Commission should adopt Sprint's recommendations.

Respectfully submitted,

SPRINT CORPORATION

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9. In addition, the Commission is in the process of eliminating the remaining distinctions, having recently issued an NPRM (WT Docket 94-148, released December 28, 1994, FCC 94-314) to conform filing, processing, operational and technical requirements of Part 21 and Part 94 microwave services and consolidate them into new Part 101.

CERTIFICATE OF SERVICE

I, Melinda L. Mills, hereby certify that I have on this 13th day of February, 1995, sent via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of the foregoing "Comments of Sprint Corporation" in the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 1995, MD Docket No. 95-3, filed this date with the Acting Secretary, Federal Communications Commission, to the persons on the attached service list.



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